

Commissioner Navarro Releases Highmark Blue Cross Blue Shield ACA Rate

Dover, DE – Delaware's Affordable Care Act ("ACA") Marketplace rate for 2018 was announced today by Commissioner Trinidad Navarro. On June 14th, Highmark Blue Cross Blue Shield of Delaware ("Highmark") requested a 33.6% rate increase for ACA (Obamacare) individual Marketplace policies. A rate increase of 25% was ultimately approved following months of review, examinations, public feedback, and meetings between Commissioner Navarro and Highmark executives. This rate filing has no impact on Medicare, Medicaid, or coverage by private and government employers. Aetna had been participating in Delaware's ACA market since the ACA's inception, but withdrew May 10th before submitting a rate filing proposal for 2018.

That left Highmark as the only insurer providing coverage under the ACA in Delaware in the coming year. Last year, there were approximately 27,000 Delawareans insured under the ACA, or about 3% of the State's population. Commissioner Navarro stated: "These 27,000 people are among those who can least afford a rate increase. There were almost 200 public comments that my staff and I carefully reviewed and took into consideration. I anguished over this rate filing, particularly after reading the comments we received. I thought about how this affects those with limited income, but I also had to consider the possibility of Delaware not having any Marketplace option should Highmark withdraw from the ACA market. I would also like to express my appreciation to our Federal delegation for their assistance with our efforts to reduce the initial rate filing request by Highmark."

After receiving Highmark's rate request, the Department

performed an internal examination of the filing. The Department then contracted with one of the most experienced, highly credentialed, and qualified independent actuaries in the region to examine information and other factors that went into the formulation of Highmark's request. The findings of the independent actuary determined that Highmark's request was slightly higher than warranted. Additionally, Highmark's request was based partially upon the assumption that the federal government would not be making cost sharing reduction payments ("CSRs") next year, and also would not be enforcing the individual mandate component of the ACA. Those two components had a substantial impact on the filing rate, and are not subject to any regulation by the Delaware Department of Insurance. Although both the CSR payments and individual mandate are currently contemplated under Federal law, the President has made statements indicating that he would not enforce those provisions. To date, the CSRs have been made, and it is Commissioner Navarro's contention that rates should be based on the assumption that they will continue to be made. After several face to face meetings with Highmark executives, Highmark amended its rate filing to reflect the lower request, which has now been approved by CMS, the federal agency overseeing the ACA.

Commissioner Navarro further stated: "It is unfortunate that all of the uncertainty in Washington regarding the ACA has such a devastating impact on Delawareans, as well as citizens of other states across the nation. Maryland just announced an increase of 47% for most ACA plans. There are some states seeing increases of 40% or more. I pledge to continue to work with our congressional delegation in fighting to provide Delawareans affordable and accessible health insurance." The Healthcare.gov website should have updated ACA rates for all states after November 1st.

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